

1 165119-2 : n : 03/04/2015 : Marsh / MO

2  
3 SENATE EDUCATION AND YOUTH AFFAIRS COMMITTEE SUBSTITUTE FOR  
4 SB45

5  
6  
7  
8  
9 SYNOPSIS: This bill would create the Alabama School  
10 Choice and Student Opportunity Act.

11 This bill would create the Alabama Public  
12 Charter School Commission and would provide for the  
13 membership, powers, duties, and liabilities of the  
14 commission.

15 This bill would provide for the application  
16 process for establishing public charter schools and  
17 conversion charter schools and would provide for  
18 charter terms, charter contracts, and preopening  
19 requirements and conditions.

20 This bill would provide for accountability  
21 of charter schools pursuant to a performance  
22 framework, ongoing oversight and corrective action,  
23 and renewal, revocation, and nonrenewal of  
24 charters.

25 This bill would provide for the operation  
26 and autonomy of public charter schools.

1                   This bill would also provide for funding and  
2                   facilities.

3  
4                   A BILL  
5                   TO BE ENTITLED  
6                   AN ACT

7  
8                   To create the Alabama School Choice and Student  
9                   Opportunity Act; to create the Alabama Public Charter School  
10                  Commission and provide for the membership, powers, duties, and  
11                  liabilities of the commission; to provide for the application  
12                  process for establishing public charter schools and conversion  
13                  charter schools; to provide for charter terms, charter  
14                  contracts, and preopening requirements and conditions; to  
15                  provide for accountability of charter schools pursuant to a  
16                  performance framework, ongoing oversight and corrective  
17                  action, and renewal, revocation, and nonrenewal of charters;  
18                  to provide for the operation and autonomy of public charter  
19                  schools; to provide for funding; and to provide for  
20                  facilities.

21                  BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22                  Section 1. This act shall be known and may be cited  
23                  as the Alabama School Choice and Student Opportunity Act.

24                  Section 2. (a) Public charter schools may be  
25                  established in Alabama in accordance with this act. All public  
26                  charter schools in the state established under this act are

1 public schools and are part of the public education system of  
2 the state.

3 (b) This act shall be interpreted to support the  
4 findings and purposes of this act and to advance the continued  
5 commitment of the state to the mission and goals of public  
6 education.

7 (c) No private or nonpublic school may establish a  
8 public charter school pursuant to this act.

9 Section 3. The Legislature finds and declares all of  
10 the following:

11 (1) It is in the best interests of the people of  
12 Alabama to provide all children with access to high quality  
13 public schools.

14 (2) It is necessary to continue to search for ways  
15 to strengthen the academic performance of elementary and  
16 secondary public school students.

17 (3) Different students learn differently and public  
18 schools should have the ability to customize programs to fit  
19 the needs of individual students.

20 (4) Those who know students best, parents and  
21 educators, make the best education-related decisions regarding  
22 their students.

23 (5) Parents and local educators have a right and  
24 responsibility to actively participate in the educational  
25 institutions that serve the children of Alabama.

1           (6) Public school programs, whenever possible,  
2           should be customized to fit the needs of individual children.

3           (7) Students of all backgrounds are entitled to  
4           access to a high quality education.

5           (8) Therefore, with this act, the Legislature  
6           intends to accomplish all of the following:

7           a. Provide school systems and communities with  
8           additional tools that may be used to better meet the  
9           educational needs of a diverse student population.

10          b. Encourage innovative educational ideas that  
11          improve student learning for students at all academic levels.

12          c. Empower educators to be nimble and strategic in  
13          their decisions on behalf of students.

14          d. Provide additional high quality educational  
15          options for all students, especially students in low  
16          performing schools.

17          e. Create public schools with freedom and  
18          flexibility in exchange for exceptional results.

19          f. Foster tools and strategies to close achievement  
20          gaps between high-performing and low-performing groups of  
21          public school students.

22          Section 4. For the purposes of this act, the  
23          following terms shall have the following meanings:

24          (1) APPLICANT. Any group with 501(c)(3) tax-exempt  
25          status or that has submitted an application for 501(c)(3)

1 tax-exempt status that develops and submits an application for  
2 a public charter school to an authorizer.

3 (2) APPLICATION. A proposal from an applicant to an  
4 authorizer to enter into a charter contract whereby the  
5 proposed school obtains public charter school status.

6 (3) AT-RISK STUDENT. A student who has an economic  
7 or academic disadvantage that requires special services and  
8 assistance to succeed in educational programs. The term  
9 includes, but is not limited to, students who are members of  
10 economically disadvantaged families, students who are  
11 identified as having special education needs, students who are  
12 limited in English proficiency, students who are at risk of  
13 dropping out of high school, and students who do not meet  
14 minimum standards of academic proficiency.

15 (4) AUTHORIZER. An entity authorized under this act  
16 to review applications, approve or reject applications, enter  
17 into charter contracts with applicants, oversee public charter  
18 schools, and decide whether to renew, not renew, or revoke  
19 charter contracts.

20 (5) CHARTER CONTRACT. A fixed-term renewable  
21 contract between a public charter school and an authorizer  
22 that outlines the roles, powers, responsibilities, and  
23 quantitative and qualitative performance expectations for each  
24 party to the contract.

25 (6) COMMISSION. The Alabama Public Charter School  
26 Commission created in subsection (c) of Section 6. The

1 commission serves as an appellate body in specific  
2 circumstances outlined in subsection (a) of Section 6.

3 (7) CONVERSION PUBLIC CHARTER SCHOOL. A public  
4 charter school that existed as a non-charter public school  
5 before becoming a public charter school. A conversion public  
6 charter school shall adopt and maintain a policy giving  
7 enrollment preference to students who reside within the former  
8 attendance zone of the public school.

9 (8) DEPARTMENT. The State Department of Education.

10 (9) EDUCATION SERVICE PROVIDER. An entity with which  
11 a public charter school intends to contract with for  
12 educational design, implementation, or comprehensive  
13 management. This relationship shall be articulated in the  
14 public charter school application.

15 (10) GOVERNING BOARD. The independent board of a  
16 public charter school that is party to the charter contract  
17 with the authorizer. A governing board shall have at least 20  
18 percent of its membership be parents of students who attend or  
19 have attended the public charter school.

20 (11) LOCAL SCHOOL BOARD. A city or county board of  
21 education exercising management and control of a city or  
22 county local school system pursuant to state law.

23 (12) LOCAL SCHOOL SYSTEM. A public agency that  
24 establishes and supervises one or more public schools within  
25 its geographical limits pursuant to state law. A local school  
26 system includes a city or county school system.

1           (13) NATIONALLY RECOGNIZED AUTHORIZING STANDARDS.  
2       Standards for high quality public charter school authorizing  
3       collaboratively drafted and regularly updated by practitioners  
4       and policy makers from across the country who have experience  
5       and practice in the field of charter authorizing.

6           (14) NON-CHARTER PUBLIC SCHOOL. A public school  
7       other than a school formed pursuant to this act. A public  
8       school that is under the direct management, governance, and  
9       control of a local school board or the state.

10          (15) PARENT. A parent, guardian, or other person or  
11       entity having legal custody of a child.

12          (16) PUBLIC CHARTER SCHOOL. A public school formed  
13       pursuant to this act that satisfies all of the following:

14               a. Has autonomy over key decisions including, but  
15       not limited to, decisions concerning finance, personnel,  
16       scheduling, curriculum, instruction, and procurement.

17               b. Is governed by an independent governing board  
18       that is a 501(c)(3) tax-exempt organization. No member of a  
19       governing board shall have a financial relationship to an  
20       education service provider or the staff of the authorizer.

21               c. Is established and operated under the terms of a  
22       charter contract between the governing board and its  
23       authorizer, in accordance with this act.

24               d. Is a school to which parents choose to send their  
25       student.

1           e. Is a school that admits students on the basis of  
2 a random selection process if more students attempt to enroll  
3 for admission than can be accommodated.

4           f. Provides an educational program that satisfies  
5 all of the following:

6                 1. Includes any grade or grades from prekindergarten  
7 to 12th grade.

8                 2. May include a specific academic approach or theme  
9 including, but not limited to, vocational and technical  
10 training; visual and performing arts; liberal arts and  
11 classical education; or science, mathematics, and technology.

12                3. Operates in pursuit of a specific set of  
13 educational objectives as defined in its charter contract,  
14 such as college or career readiness, or both.

15                4. Operates under the oversight of its authorizer in  
16 accordance with its charter contract.

17                (17) START-UP PUBLIC CHARTER SCHOOL. A public  
18 charter school that did not exist as a non-charter public  
19 school prior to becoming a public charter school.

20                (18) STUDENT. Any child who is eligible for  
21 attendance in public schools in the state.

22                Section 5. (a) Open enrollment.

23                (1) A public charter school shall be open to any  
24 student residing in the state.

1           (2) A school system shall not require any student  
2 enrolled in the school system to attend a start-up public  
3 charter school.

4           (3) A public charter school shall not limit  
5 admission based on ethnicity, national origin, religion,  
6 gender, income level, disability, proficiency in the English  
7 language, or academic or athletic ability.

8           (4) A public charter school may limit admission to  
9 students within a given age group or grade level and may be  
10 organized around a special emphasis, theme, or concept as  
11 stated in the school's charter application, but fluency or  
12 competence in the theme may not be used as a standard for  
13 enrollment.

14           (5) A public charter school shall enroll all  
15 students who wish to attend the school, unless the number of  
16 students exceeds the capacity of the building identified for  
17 the public charter school.

18           (6) If building capacity is insufficient to enroll  
19 all students who wish to attend a start-up public charter  
20 school, the school shall select students through a random  
21 selection process. The school shall first enroll students who  
22 reside within the school system in which the public charter  
23 school is located. If the number of local students wanting to  
24 enroll in the school exceeds the capacity of the school, then  
25 the school shall conduct a random selection process to enroll  
26 students who reside in the local school system. If the school

1 has additional capacity after admitting students from the  
2 local school system, then the school shall admit any students  
3 without regard to their residency by a random selection  
4 process. The selection shall take place in a public meeting,  
5 called by the governing body of the public charter school, and  
6 following all posting and notice requirements prescribed by  
7 the Alabama Open Meetings Act.

8 (7) Any non-charter public school converting  
9 partially or entirely to a public charter school shall adopt  
10 and maintain a policy giving enrollment preference to students  
11 who reside within the former attendance area of that public  
12 school.

13 (8) A public charter school shall give enrollment  
14 preference to students enrolled in the public charter school  
15 the previous school year and to siblings of students already  
16 enrolled in the public charter school.

17 (9) A public charter school may give enrollment  
18 preference to children of a public charter school's founders,  
19 governing board members, and full-time employees, so long as  
20 they constitute no more than 10 percent of the school's total  
21 student population.

22 (10) This subsection does not preclude the formation  
23 of a public charter school whose mission is focused on serving  
24 special education students, students of the same gender,  
25 students who pose such severe disciplinary programs that they  
26 warrant a specific educational program, or students who are at

1 risk of academic failure. Notwithstanding the stated mission  
2 of the public charter school, any student may attend.

3 (b) Credit transferability. If a student who was  
4 previously enrolled in a public charter school enrolls in  
5 another public school in Alabama, the student's new school  
6 shall accept credits earned by the student in courses or  
7 instructional programs at the public charter school in a  
8 uniform and consistent manner and according to the same  
9 criteria that are used to accept academic credits from other  
10 public schools. Nothing in this act shall prevent local school  
11 systems from administering placement tests for newly enrolled  
12 students who were previously enrolled in a public charter  
13 school.

14 (c) Determination of student capacity of public  
15 charter schools. The capacity of the public charter school  
16 shall be determined annually by the governing board of the  
17 public charter school in conjunction with the authorizer and  
18 in consideration of the public charter school's ability to  
19 facilitate the academic success of its students, to achieve  
20 the other objectives specified in the charter contract, and to  
21 ensure that its student enrollment does not exceed the  
22 capacity of its facility or site.

23 (d) Student information. A public charter school  
24 shall maintain records on all enrolled students utilizing the  
25 state adopted Alabama Student Information System (ASIM).

26 Section 6. (a) Eligible authorizing entities.

1           (1) A public charter school may not be established  
2           in this state unless its establishment is authorized by this  
3           section. No governmental entity or other entity, other than an  
4           entity expressly granted chartering authority as set forth in  
5           this section, may assume any authorizing function or duty in  
6           any form. The following entities shall be authorizers of  
7           public charter schools:

8                 a. A local school board, for chartering of schools  
9                 within the boundaries of the school system under its  
10                jurisdiction, pursuant to state law.

11               b. The Alabama Public Charter School Commission,  
12                pursuant to this section.

13           (2) A local school board that registers as an  
14           authorizer may approve or deny an application to form a public  
15           charter school within the boundaries of the local school  
16           system overseen by the local school board.

17           (3) All authorizing entities shall prioritize those  
18           applications that are focused on serving at-risk students.

19           (4) A decision made by a local school board shall be  
20           subject to appeal to the commission. The commission may hear  
21           an application for the formation of a public charter school by  
22           an applicant only if one of the following factors is met:

23                 a. An application to form a public charter school is  
24                 denied by the local school board overseeing that system and  
25                 the applicant chooses to appeal the decision of the local  
26                 school board to the commission.

1           b. The applicant wishes to open a start-up public  
2 charter school in a public school system that has chosen not  
3 to register as an authorizer.

4           (b) Public charter school cap.

5           (1) Authorizers may not approve more than 10  
6 start-up public charter schools in a fiscal year.

7           (2) Upon receiving notice of approval of the tenth  
8 start-up public charter school to be approved in a fiscal  
9 year, the department shall provide notice to all authorizers  
10 that the cap has been reached and no new start-up public  
11 charter schools may be approved in that fiscal year.

12           (3) The cap expires after five fiscal years of  
13 implementation of this act.

14           (4) At the conclusion of the fifth fiscal year, the  
15 department shall submit a report to the Legislature outlining  
16 the performance of both start-up and conversion public charter  
17 schools. This report shall include, at a minimum, academic  
18 performance of all public charter schools in the state, a  
19 detailed update on the authorizing process, and  
20 recommendations for adjustments to public charter school  
21 governance and oversight.

22           (5) There is no limit on the number of conversion  
23 public charter schools that may be approved.

24           (c) The Alabama Public Charter School Commission.

25           (1) The commission is established as an independent  
26 state entity.

1           (2) The mission of the commission is to authorize  
2 high quality public charter schools, in accordance with the  
3 powers expressly conferred on the commission in this act.

4           (3) The commission shall be composed of a total of  
5 nine members. The State Board of Education shall appoint eight  
6 members, made up of two appointees recommended by the  
7 Governor, two appointees recommended by the President Pro  
8 Tempore of the Senate, two appointees recommended by the  
9 Speaker of the House of Representatives, and two appointees  
10 recommended by the State Superintendent of Education. The  
11 Governor, the President Pro Tempore of the Senate, and the  
12 Speaker of the House of Representatives shall each recommend a  
13 list of no fewer than two nominees for each appointment to the  
14 commission. No commission member can be appointed unless he or  
15 she has been recommended by the Governor, President Pro  
16 Tempore of the Senate, Speaker of the House of  
17 Representatives, or the State Superintendent of Education.

18           (4) The ninth member of the commission shall be a  
19 rotating position based on the local school system where the  
20 application was denied. This member appointed to the rotating  
21 position shall be appointed by the local school system where  
22 the applicant is seeking to open a public charter school. The  
23 local school system shall appoint a member to the rotating  
24 position through board action specifically to consider that  
25 application.

1           (5) The appointing authorities of the commission  
2 members shall strive to select individuals that collectively  
3 possess strong experience and expertise in public and  
4 nonprofit governance, strategic planning, management and  
5 finance, public school leadership, assessment, curriculum and  
6 instruction, and public education law. Each member of the  
7 commission shall have demonstrated understanding of and  
8 commitment to charter schooling as a tool for strengthening  
9 public education and shall sign an agreement to hear the  
10 appeal and review documents in a fair and impartial manner.

11           (6) Membership of the commission shall be inclusive  
12 and reflect the racial, gender, geographic, urban/rural, and  
13 economic diversity of the state. The appointing authority  
14 shall consider the eight State Board of Education districts in  
15 determining the geographical diversity of the commission.

16           (7) The initial appointments to the commission shall  
17 be made no later than 30 days after the effective date of this  
18 act. One recommended appointee of the Governor, Speaker of the  
19 House of Representatives, President Pro Tempore of the Senate,  
20 and State Superintendent of Education shall serve an initial  
21 term of one year and one recommended appointee of the  
22 Governor, Speaker of the House of Representatives, President  
23 Pro Tempore of the Senate, and State Superintendent of  
24 Education shall serve an initial term of two years.  
25 Thereafter, all appointees shall serve two-year terms of  
26 office. All appointments shall be eligible for reappointment

1 as determined by the appointing authority, not to exceed a  
2 total of six years of service, unless the member was initially  
3 appointed to serve a one-year term of office. If the initial  
4 term of office of an appointee was one year, he or she may  
5 serve a total of five years of service on the commission.

6 (8) A member of the commission may be removed for  
7 failure to perform the duties of the appointment. Whenever a  
8 vacancy on the commission exists, the appointing authority,  
9 within 60 days after the vacancy occurs, shall appoint a  
10 member for the remaining portion of the term. A member of the  
11 commission shall abstain from any vote that involves a local  
12 school system of which he or she is an employee or which he or  
13 she oversees as a member of a local school board. The  
14 requirement to abstain does not apply to the rotating position  
15 on the commission.

16 (9) Six members of the commission constitute a  
17 quorum, and a quorum shall be necessary to transact business.  
18 Actions of the commission shall be by a majority vote of the  
19 commission. The commission, in all respects, shall comply with  
20 the Alabama Open Meetings Act and state record laws.  
21 Notwithstanding the preceding sentence, members of the  
22 commission may participate in a meeting of the commission by  
23 means of telephone conference, video conference, or similar  
24 communications equipment by means of which all persons  
25 participating in the meeting may hear each other at the same  
26 time. Participation by such means shall constitute presence in

1 person at a meeting for all purposes, including the  
2 establishment of a quorum. Telephone or video conference or  
3 similar communications equipment shall also allow members of  
4 the public the opportunity to simultaneously listen to or  
5 observe meetings of the commission.

6 (10) If the commission overrules the decision of a  
7 local school board and chooses to authorize the establishment  
8 of a public charter school in that local school system, the  
9 commission shall serve as the authorizer for that public  
10 charter school, pursuant to this act.

11 (11) The commission may do any of the following:

12 a. Utilize professional and administrative staff of  
13 the department as recommended by the State Superintendent of  
14 Education.

15 b. Adopt rules for the operation and organization of  
16 the commission.

17 c. Review, at least once per year, department rules  
18 and regulations concerning public charter schools and, if  
19 needed, recommend to the State Superintendent of Education any  
20 rule or regulation changes deemed necessary.

21 d. Convene stakeholder groups and engage experts.

22 e. Seek and receive state, federal, and private  
23 funds for operational expenses.

24 f. A commission member may not receive compensation,  
25 but shall be reimbursed by the department for travel and per

1 diem expenses at the same rates and in the same manner as  
2 state employees.

3 g. The commission shall submit an annual report to  
4 the department pursuant to subsection (g).

5 (12) In order to overrule the decision of a local  
6 school board and authorize a public charter school, the  
7 commission shall do all of the following:

8 a. Find evidence of a thorough and high-quality  
9 public charter school application from the applicant based on  
10 the authorizing standards in subdivision (8) of subsection (a)  
11 of Section 7.

12 b. Hold an open community hearing opportunity for  
13 public comment.

14 c. Find that the local board's denial of an original  
15 charter application was not supported by the application and  
16 exhibits.

17 d. Take into consideration (i) other existing  
18 charter school applications, (ii) the quality of school  
19 options existing in the affected community, (iii) the  
20 existence of other charter schools, and (iv) any other factors  
21 considered relevant to ensure the establishment of  
22 high-quality charter schools in accordance with the intent of  
23 this act.

24 e. Find evidence that the local school board erred  
25 in its application of nationally recognized authorizing  
26 standards.

1           (d) A local school board may register with the  
2 department for chartering authority within the boundaries of  
3 the school system overseen by the local school board. The  
4 department shall publicize to all local school boards the  
5 opportunity to register with the state for chartering  
6 authority within the school system they oversee. By June 1 of  
7 each year, the department shall provide information about the  
8 opportunity, including a registration deadline, to all local  
9 school boards. To register as a charter authorizer in its  
10 school system, each interested local school board shall submit  
11 the following information in a format to be established by the  
12 department:

13               (1) Written notification of intent to serve as a  
14 charter authorizer in accordance with this act.

15               (2) An explanation of the local school board's  
16 capacity and commitment to execute the duties of quality  
17 charter authorizing, as defined by nationally recognized  
18 authorizing standards.

19               (3) An explanation of the local school board's  
20 strategic vision for chartering.

21               (4) An explanation of how the local school board  
22 plans to solicit public charter school applicants, in  
23 accordance with this act.

24               (5) A description or outline of the performance  
25 framework the local school board will use to guide the  
26 establishment of a charter contract and for ongoing oversight

1 and evaluation of public charter schools, consistent with the  
2 requirements of this act.

3 (6) A draft of the local school board's renewal,  
4 revocation, and nonrenewal processes, consistent with  
5 subsection (c) of Section 8.

6 (7) A statement of assurance that the local school  
7 board commits to serving as a charter authorizer and shall  
8 fully participate in any authorizer training provided or  
9 required by the state.

10 (e) If a local school board chooses not to register  
11 as an authorizer, all applications seeking to open a start-up  
12 public charter school within that local school board's  
13 boundaries shall be denied. Applicants wishing to open a  
14 public charter school physically located in that local school  
15 system may apply directly to the commission.

16 (f) An authorizer may do all of the following:

17 (1) Solicit, invite, receive, and evaluate  
18 applications from organizers of proposed public charter  
19 schools.

20 (2) Approve applications that meet identified  
21 educational needs.

22 (3) Deny applications that do not meet identified  
23 educational needs.

24 (4) Create a framework to guide the development of  
25 charter contracts.

1           (5) Negotiate and execute charter contracts with  
2 each approved public charter school.

3           (6) Monitor the academic, fiscal, and organizational  
4 performance and compliance of public charter schools.

5           (7) Determine whether each charter contract merits  
6 renewal or revocation.

7           (g) An authorizer shall submit to the State Board of  
8 Education a publicly accessible annual report within 60 days  
9 after the end of each school fiscal year summarizing all of  
10 the following:

11           (1) The authorizer's strategic vision for chartering  
12 and progress toward achieving that vision.

13           (2) The academic and financial performance of all  
14 operating public charter schools overseen by the authorizer,  
15 according to the performance measures and expectations  
16 specified in the charter contracts.

17           (3) The status of the public charter school  
18 portfolio of the authorizer, identifying all public charter  
19 schools within that portfolio as one of the following:

- 20           a. Approved, but not yet open.  
21           b. Open and operating.  
22           c. Terminated.  
23           d. Closed, including year closed and reason for  
24 closing.  
25           e. Never opened.

1           (4) The oversight and services, if any, provided by  
2 the authorizer to the public charter schools under the purview  
3 of the authorizer.

4           (5) The authorizing functions provided by the  
5 authorizer to the public charter schools under its  
6 jurisdiction, including the operating costs and expenses of  
7 the authorizer detailed in annual audited financial statements  
8 that conform to generally accepted accounting principles.

9           (6) All use of taxpayer dollars including  
10 expenditures, contracts, and revenues.

11           (h) To cover costs for overseeing and authorizing  
12 public charter schools in accordance with this act, a local  
13 school board serving as an authorizer may do all of the  
14 following:

15                 (1) Expend its own resources, seek grant funds, and  
16 establish partnerships to support its public charter school  
17 authorizing activities.

18                 (2) Charge a portion of annual per student state  
19 allocations received by each public charter school it  
20 authorizes based on the following schedule:

21                     a. If the local school board has oversight over one  
22 to three, inclusive, public charter schools: Three percent of  
23 annual per student state allocations.

24                     b. If the local school board has oversight over four  
25 to five, inclusive, public charter schools: Two percent of  
26 annual per student state allocations.

1           c. If the local school board has oversight over six  
2 to 10, inclusive, public charter schools: One percent of  
3 annual per student state allocations.

4           d. These funds shall be used to cover the costs for  
5 a local school board to provide authorizing services to its  
6 public charter schools.

7           (i) An employee, agent, or representative of an  
8 authorizer may not simultaneously serve as an employee, agent,  
9 representative, vendor, or contractor of a public charter  
10 school of that authorizer.

11           (j) With the exception of charges for oversight  
12 services as required in subsection (h), a public charter  
13 school may not be required to purchase services from its  
14 authorizer as a condition of charter approval or of a charter  
15 contract, nor may any such condition be implied.

16           (k) A public charter school authorized by a local  
17 school system may choose to purchase services, such as  
18 transportation-related or lunchroom-related services, from its  
19 authorizer. In such event, the public charter school and  
20 authorizer shall execute an annual service contract, separate  
21 from the charter contract, stating the mutual agreement of the  
22 parties concerning any service fees to be charged to the  
23 public charter school. A public charter school authorized by  
24 the commission may not purchase services from the commission,  
25 but consistent with this section, may purchase services from

1 the local school system where the public charter school is  
2 located.

3 (l) The department shall oversee the performance and  
4 effectiveness of all authorizers established under this act.  
5 Persistently unsatisfactory performance of the portfolio of  
6 the public charter schools of an authorizer, a pattern of  
7 well-founded complaints about the authorizer or its public  
8 charter schools, or other objective circumstances may trigger  
9 a special review by the department. In reviewing and  
10 evaluating the performance of an authorizer, the department  
11 shall apply nationally recognized standards for quality in  
12 charter authorizing. If, at any time, the department finds  
13 that an authorizer is not in compliance with an existing  
14 charter contract or the requirements of all authorizers under  
15 this act, the department shall notify the authorizer in  
16 writing of any identified problem, and the authorizer shall  
17 have reasonable opportunity to respond and remedy the problem.

18 (m) If a local school board acting as an authorizer  
19 persists in violating a material provision of a charter  
20 contract or fails to remedy any other authorizing problem  
21 after due notice from the department, the department shall  
22 notify the local school board, within 60 days, that it intends  
23 to terminate the chartering authority of the local school  
24 board unless the local school board demonstrates a timely and  
25 satisfactory remedy for the violation or deficiencies. If the  
26 local school board acting as an authorizer persists, after due

1 notice from the department, in violating a material provision  
2 of a charter contract or fails to remedy other identified  
3 authorizing problems, the department shall notify the local  
4 school board, within a reasonable amount of time under the  
5 circumstances, that it intends to revoke the chartering  
6 authority of the local school board unless the local school  
7 board demonstrates a timely and satisfactory remedy for the  
8 violation or deficiencies.

9 (n) If the commission violates a material provision  
10 of a charter contract or fails to remedy any other authorizing  
11 problems after due notice from the department, the department  
12 shall notify the commission, within 60 days, that it intends  
13 to notify the Governor, the Speaker of the House of  
14 Representatives, and the President Pro Tempore of the Senate  
15 of the actions of the commission unless the commission  
16 demonstrates a timely and satisfactory remedy for the  
17 violation of the deficiencies. Along with this notification,  
18 the department shall publicly request in writing that the  
19 Governor, the Speaker of the House of Representatives, and the  
20 President Pro Tempore appointees comply with the requests of  
21 the department or face a revocation of their appointment to  
22 the commission.

23 (o) In the event of revocation of the chartering  
24 authority of an authorizer, the department shall manage the  
25 timely and orderly transfer of each charter contract held by  
26 that authorizer to another authorizer in the state, with the

1 mutual agreement of each affected public charter school and  
2 proposed new authorizer. The new authorizer shall assume the  
3 existing charter contract for the remainder of the charter  
4 term.

5 (p) Authorizer power, duties, and liabilities.  
6 Authorizers are responsible for executing, in accordance with  
7 this act, the following essential powers and duties:

8 (1) Soliciting and evaluating charter applications  
9 based on nationally recognized standards.

10 (2) Approving quality charter applications that meet  
11 identified educational needs and promote a diversity of  
12 high-quality educational choices.

13 (3) Declining to approve weak or inadequate charter  
14 applications.

15 (4) Negotiating and executing charter contracts with  
16 each approved public charter school.

17 (5) Monitoring, in accordance with charter contract  
18 terms, the performance and legal compliance of public charter  
19 schools.

20 (6) Determining whether each charter contract merits  
21 renewal, nonrenewal, or revocation.

22 (q) An authorizer that grants a charter to a  
23 501(c)(3) tax-exempt organization for the purpose of opening  
24 and operating a public charter school is not liable for the  
25 debts or obligations of the public charter school, or for  
26 claims arising from the performance of acts, errors, or

1 omissions by the charter school, if the authorizer has  
2 complied with all oversight responsibilities required by law,  
3 including, but not limited to, those required by this act.

4 (r) Principles and standards for charter  
5 authorizing.

6 (1) All authorizers shall be required to develop and  
7 maintain chartering policies and practices consistent with  
8 nationally recognized principles and standards for quality  
9 charter authorizing in all major areas of authorizing  
10 responsibility including: Organizational capacity and  
11 infrastructure; soliciting and evaluating charter  
12 applications; performance contracting; ongoing public charter  
13 school oversight and evaluation; and charter renewal  
14 decision-making. The State Board of Education shall promulgate  
15 reasonable rules and regulations to effectuate this section  
16 within 90 days after the effective date of this act.

17 (2) Authorizers shall carry out all of their duties  
18 under this act in a manner consistent with such nationally  
19 recognized principles and standards and with the spirit and  
20 intent of this act. Evidence of material or persistent failure  
21 to do so shall constitute grounds for losing charter  
22 authorizing powers.

23 Section 7. (a) Request for proposals.

24 (1) To solicit, encourage, and guide the development  
25 of quality public charter school applications, every local  
26 school board, in its role as public charter school authorizer,

1 shall issue and broadly publicize a request for proposals for  
2 public charter school applications by 120 days after the  
3 effective date of this act, and by November 1 in each  
4 subsequent year. The content and dissemination of the request  
5 for proposals shall be consistent with the purposes and  
6 requirements of this act.

7 (2) Public charter school applicants may submit a  
8 proposal for a particular public charter school to no more  
9 than one local school board at a time.

10 (3) The department shall annually establish and  
11 disseminate a statewide timeline for charter approval or  
12 denial decisions, which shall apply to all authorizers in the  
13 state.

14 (4) Each local school board's request for proposals  
15 shall present the board's strategic vision for chartering,  
16 including a clear statement of any preferences the board  
17 wishes to grant to applications that help at-risk students.

18 (5) The request for proposals shall include or  
19 otherwise direct applicants to the performance framework that  
20 the authorizer has developed for public charter school  
21 oversight and evaluation in accordance with this act.

22 (6) The request for proposals shall include the  
23 criteria that will guide the authorizer's decision to approve  
24 or deny a charter application.

25 (7) The request for proposals shall state clear,  
26 appropriately detailed questions as well as guidelines

1 concerning the format and content essential for applicants to  
2 demonstrate the capacities necessary to establish and operate  
3 a successful public charter school.

4 (8) The request for proposals shall require charter  
5 applications to provide or describe thoroughly all of the  
6 following essential elements of the proposed school plan:

7 a. An executive summary.

8 b. The mission and vision of the proposed public  
9 charter school, including identification of the targeted  
10 student population and the community the school hopes to  
11 serve.

12 c. The location or geographic area proposed for the  
13 school.

14 d. The grades to be served each year for the full  
15 term of the charter contract.

16 e. Minimum, planned, and maximum enrollment per  
17 grade per year for the term of the charter contract.

18 f. Evidence of need and community support for the  
19 proposed public charter school.

20 g. A brief biography regarding the expertise and  
21 background on the proposed founding governing members and the  
22 proposed school leadership and management team.

23 h. The school's proposed calendar and sample daily  
24 schedule.

25 i. A description of the academic program.

1           j. A description of the school's instructional  
2 design, including the type of learning environment (such as  
3 classroom-based or independent study), class size and  
4 structure, curriculum overview, and teaching methods.

5           k. The school's plan for using internal and external  
6 assessments to measure and report student progress.

7           l. The school's plan for identifying and  
8 successfully serving students with disabilities, students who  
9 are English language learners, students who are academically  
10 behind, and gifted students, including, but not limited to,  
11 compliance with applicable laws and regulations.

12           m. A description of cocurricular or extracurricular  
13 programs and how they will be funded and delivered.

14           n. Plans and timelines for student recruitment and  
15 enrollment, including random selection procedures in the event  
16 that interest exceeds capacity.

17           o. The school's student discipline policies,  
18 including those for special education students.

19           p. An organization chart that clearly presents the  
20 school's organizational structure, including lines of  
21 authority and reporting between the governing board, staff,  
22 any related bodies (such as advisory bodies or parent and  
23 teacher councils), and any external organizations that will  
24 play a role in managing the school.

25           q. A clear description of the roles and  
26 responsibilities for the governing board, the school's

1 leadership and management team, and any other entities shown  
2 in the organization chart.

3 r. A staffing chart for the school's first year, and  
4 a staffing plan for the term of the charter.

5 s. Plans for recruiting and developing school  
6 leadership and staff.

7 t. The school's leadership and teacher employment  
8 policies, including performance evaluation plans.

9 u. Proposed governing bylaws.

10 v. Explanations of any partnerships or contractual  
11 relationships central to the school's operations or mission.

12 w. The school's plans for providing transportation,  
13 food service, and all other significant operational or  
14 ancillary services.

15 x. Opportunities and expectations for parental  
16 involvement.

17 y. A detailed school start-up plan, identifying  
18 tasks, timelines and responsible individuals.

19 z. Description of the school's financial plan and  
20 policies, including financial controls and audit requirements.  
21 This plan shall include a disclosure of all donations of  
22 private funding, if any, including, but not limited to, gifts  
23 received from foreign governments, foreign legal entities,  
24 and, when reasonably known, domestic entities affiliated with  
25 either foreign governments or foreign legal entities.

1           aa. A description of the insurance coverage the  
2 school will obtain.

3           bb. Start-up and five-year budgets with clearly  
4 stated assumptions.

5           cc. Evidence of anticipated fundraising  
6 contributions, if claimed in the application.

7           dd. A sound facilities plan, including backup or  
8 contingency plans, if appropriate.

9           ee. Any other item that the authorizer deems  
10 appropriate to assess the applicant's ability to successfully  
11 open and operate a public charter school.

12           (9) Conversion public charter schools. A local  
13 school board may convert a non-charter public school to a  
14 public charter school.

15           a. Any local school board's decision to convert a  
16 school is not appealable to the commission.

17           1. After identifying the non-charter public school  
18 it has decided to convert to a public charter school, a local  
19 school board shall release a request for proposals, allowing  
20 education service providers the opportunity to submit  
21 applications to manage the specific school as a public charter  
22 school under the terms of this act.

23           2. After an education service provider has been  
24 identified to manage the conversion public charter school, the  
25 local school board shall negotiate a performance contract with

1 the selected education service provider as set forth in  
2 subdivision (1) of subsection (d).

3 3. The conversion must occur at the beginning of an  
4 academic school year and shall be subject to compliance with  
5 this act.

6 4. At the time of conversion to a public charter  
7 school, any teacher or administrator in the newly converted  
8 public charter school shall have the opportunity to interview  
9 for a position in the public charter school. The public  
10 charter school is under no obligation to hire any teacher or  
11 administrator.

12 5. At the time of conversion to a public charter  
13 school, any teacher or administrator in the public charter  
14 school may be allowed to transfer into vacant positions for  
15 which they are both certified and qualified in other schools  
16 in the school system prior to the hiring of new personnel for  
17 those vacant positions.

18 6. If personnel reductions are contemplated as the  
19 result of a conversion to a charter model, that shall be  
20 clearly stated in the application. An approved conversion  
21 shall constitute decreased student enrollment or a shortage of  
22 revenues, or both, for the purposes of the local school board  
23 implementing a reduction in force pursuant to Section 16-1-33,  
24 Code of Alabama 1975.

25 b. After an education service provider has been  
26 identified to manage the non-charter public school, the local

1 school board shall negotiate a performance contract with the  
2 selected education service provider as set forth in  
3 subdivision (1) of subsection (d).

4 (10) In the case of a proposed public charter school  
5 that intends to contract with an education service provider  
6 for substantial education services, management services, or  
7 both types of services, the request for proposals shall  
8 additionally require the applicants to do all of the  
9 following:

10 a. Provide evidence of the education service  
11 provider's success in serving student populations similar to  
12 the targeted population, including demonstrated academic  
13 achievement as well as successful management of nonacademic  
14 school functions, if applicable.

15 b. Provide a term sheet setting forth the proposed  
16 duration of the service contract; roles and responsibilities  
17 of the governing board; the school staff; and the education  
18 service provider; scope of services and resources to be  
19 provided by the education service provider; performance  
20 evaluation measures and timelines; compensation structure,  
21 including clear identification of all fees to be paid to the  
22 education service provider; methods of contract oversight and  
23 enforcement; investment disclosure; and conditions for renewal  
24 and termination of the contract.

25 c. Disclose and explain any existing or potential  
26 conflicts of interest between the school governing board and

1 proposed education service provider or any affiliated business  
2 entities.

3 (11) In the case of a public charter school proposal  
4 from an applicant that currently operates one or more schools  
5 inside or outside of Alabama, the request for proposals shall  
6 additionally require the applicant to provide evidence of past  
7 performance and current ability to manage for growth.

8 (b) Application decision-making process.

9 (1) In evaluating and reviewing charter  
10 applications, authorizers shall employ procedures, practices,  
11 and criteria consistent with nationally recognized principles  
12 and standards for quality charter authorizing. The application  
13 review process shall include thorough evaluation of each  
14 written charter application, an in-person interview with the  
15 applicant group, and an opportunity in a public forum for  
16 local residents to learn about and provide input on each  
17 application.

18 (2) In deciding whether to approve charter  
19 applications, authorizers shall do all of the following:

20 a. Grant charters only to applicants that have  
21 demonstrated competence in each element of the authorizer's  
22 published approval criteria and are likely to open and operate  
23 a successful public charter school.

24 b. Base decisions on documented evidence collected  
25 through the application review process.

1           c. Follow charter-granting policies and practices  
2 that are transparent, based on merit, and avoid conflicts of  
3 interest or any appearance thereof.

4           d. In the case of the commission, require  
5 significant and objective evidence of interest for the public  
6 charter school from the community the public charter school  
7 wishes to serve.

8           (3) An authorizer may not approve a public charter  
9 school application that includes any of the following:

10           a. Admissions requirements for entry, including, but  
11 not limited to academic proficiency, particular skills or  
12 competencies, or financial means.

13           b. Any parochial or religious theme.

14           (4) No later than 60 days after the filing of the  
15 charter application, the authorizer shall decide to approve or  
16 deny the charter application. The authorizer shall adopt by  
17 resolution all charter approval or denial decisions in an open  
18 meeting. If no action is taken on the application within 60  
19 days, the application shall be considered denied and the  
20 applicant may appeal the decision to the commission.

21           (5) An approval decision may include, if  
22 appropriate, reasonable conditions that the charter applicant  
23 must meet before a charter contract may be executed pursuant  
24 to this section.

25           (6) For any charter denial, the authorizer shall  
26 clearly state, for public record, its reasons for denial. A

1       denied applicant may subsequently reapply to that board the  
2       following year or appeal the denial to the commission.

3               (7) Within 30 days of taking action to approve or  
4       deny a charter application, the authorizer shall report to the  
5       department the action it has taken. The authorizer shall  
6       provide a copy of the report to the charter applicant at the  
7       same time that the report is submitted to the department. The  
8       report shall include a copy of the authorizer's resolution  
9       setting forth the action taken and reasons for the decision  
10      and assurances as to compliance with all of the procedural  
11      requirements and application elements set forth in this  
12      section.

13              (c)(1) The applicant for a public charter school,  
14      the local school board for the district in which a public  
15      charter school is proposed to be located, and the authorizer  
16      shall carefully review the potential impact of an application  
17      for a public charter school on the efforts of the local school  
18      system to comply with court orders and statutory obligations  
19      for creating and maintaining a unitary system of desegregated  
20      public schools.

21              (2) The authorizer shall attempt to measure the  
22      likely impact of a proposed public charter school on the  
23      efforts of local school systems to achieve and maintain a  
24      unitary system.

25              (3) The authorizer shall not approve any public  
26      charter school under this act that hampers, delays, or in any

1 manner negatively affects the desegregation efforts of a local  
2 school system.

3 (d) Initial charter term. An initial charter shall  
4 be granted for a term of five operating years. The charter  
5 term shall commence on the public charter school's first day  
6 of operation. An approved public charter school may delay its  
7 opening for one school year in order to plan and prepare for  
8 the school's opening. If the school requires an opening delay  
9 of more than one year, the school shall request an extension  
10 from its authorizer. The authorizer may grant or deny the  
11 extension depending on the particular school's circumstances.

12 (e) Charter contracts.

13 (1) Within 60 days of approval of a charter  
14 application, the authorizer and the governing board of the  
15 approved public charter school shall execute a charter  
16 contract that clearly sets forth the academic and operational  
17 performance expectations and measures by which the public  
18 charter school will be judged and the administrative  
19 relationship between the authorizer and the public charter  
20 school, including each party's rights and duties. The  
21 performance expectations and measures set forth in the charter  
22 contract shall include, but need not be limited to, applicable  
23 federal and state accountability requirements. The performance  
24 provisions may be refined or amended by mutual agreement after  
25 the public charter school is operating and has collected  
26 baseline achievement data for its enrolled students.

1           (2) The charter contract shall be signed by the  
2 president of the authorizer's board and the president of the  
3 public charter school's governing body. Within 10 days of  
4 executing a charter contract, the authorizer shall submit to  
5 the department written notification of the executed charter  
6 contract and any attachments.

7           (3) No public charter school may commence operations  
8 without a charter contract executed in accordance with this  
9 act and approved in an open meeting of the authorizer's  
10 governing board.

11           (f) Preopening requirements or conditions.  
12 Authorizers may establish reasonable preopening requirements  
13 or conditions to monitor the start-up progress of newly  
14 approved public charter schools and ensure that they are  
15 prepared to open smoothly on the date agreed, and to ensure  
16 that each school meets all building, health, safety,  
17 insurance, and other legal requirements for school opening.

18           Section 8. (a) Performance framework.

19           (1) The performance provisions within the charter  
20 contract shall be based on a performance framework that  
21 clearly sets forth the academic and operational performance  
22 indicators, measures, and metrics that will guide the  
23 authorizer's evaluations of each public charter school. The  
24 performance framework shall include indicators, measures, and  
25 metrics for, at a minimum:

1           a. Student academic proficiency, which includes, but  
2 is not limited to, performance on state standardized  
3 assessments.

4           b. Student academic growth, which includes, but is  
5 not limited to, performance on state standardized assessments.

6           c. Achievement gaps in both proficiency and growth  
7 between major student subgroups.

8           d. Attendance.

9           e. Recurrent enrollment from year to year.

10          f. Postsecondary readiness for high schools.

11          g. Financial performance and sustainability.

12          h. Board performance and stewardship, including  
13 compliance with all applicable laws, regulations, and terms of  
14 the charter contract.

15               (2) Annual performance targets shall be set by each  
16 public charter school in conjunction with its authorizer, and  
17 shall be designed to help each school meet applicable federal,  
18 state, and authorizer expectations.

19               (3) The performance framework shall allow the  
20 inclusion of additional rigorous, valid, and reliable  
21 indicators proposed by a public charter school to augment  
22 external evaluations of its performance, provided that the  
23 authorizer approves the quality and rigor of such  
24 school-proposed indicators, and they are consistent with the  
25 purposes of this act.

1           (4) The performance framework shall require the  
2           disaggregation of all student performance data by major  
3           student subgroups (gender, race, poverty status, special  
4           education status, English learner status, and gifted status).

5           (5) For each public charter school it oversees, the  
6           authorizer shall be responsible for collecting, analyzing, and  
7           reporting all data from state assessments in accordance with  
8           the performance framework.

9           (6) Multiple schools operating under a single  
10          charter contract or overseen by a single governing board shall  
11          be required to report their performance as separate,  
12          individual schools, and each school shall be held  
13          independently accountable for its performance.

14          (b) Ongoing oversight and corrective action.

15          (1) An authorizer shall continually monitor the  
16          performance and legal compliance of the public charter schools  
17          it oversees, including collecting and analyzing data to  
18          support ongoing evaluation according to the charter contract.  
19          Every authorizer shall have the authority to conduct or  
20          require oversight activities that enable the authorizer to  
21          fulfill its responsibilities under this act, including  
22          conducting appropriate inquiries and investigations, so long  
23          as those activities are consistent with the intent of this  
24          act, adhere to the terms of the charter contract, and do not  
25          unduly prohibit the autonomy granted to public charter  
26          schools.

1           (2) Each authorizer shall annually publish and  
2 provide, as part of its annual report to the department and  
3 the Legislature, a performance report for each public charter  
4 school it oversees, in accordance with the performance  
5 framework set forth in the charter contract and Section 6. The  
6 authorizer may require each public charter school it oversees  
7 to submit an annual report to assist the authorizer in  
8 gathering complete information about each school, consistent  
9 with the performance framework.

10           (3) In the event that a public charter school's  
11 performance or legal compliance appears unsatisfactory, the  
12 authorizer shall promptly notify the public charter school of  
13 the perceived problem and provide reasonable opportunity for  
14 the school to remedy the problem, unless the problem warrants  
15 revocation, in which case the revocation timelines shall  
16 apply.

17           (4) Every authorizer shall have the authority to  
18 take appropriate corrective actions or exercise sanctions  
19 short of revocation in response to apparent deficiencies in  
20 public charter school performance or legal compliance. Such  
21 actions or sanctions may include, if warranted, requiring a  
22 school to develop and execute a corrective action plan within  
23 a specified time frame.

24           (c) Renewals, revocations, and nonrenewals.

25           (1) A charter may be renewed for successive  
26 five-year terms of duration, although the authorizer may vary

1 the term based on the performance, demonstrated capacities,  
2 and particular circumstances of each public charter school. An  
3 authorizer may grant renewal with specific conditions for  
4 necessary improvement to a public charter school.

5 (2) No later than July 15, the authorizer shall  
6 issue a public charter school performance report and charter  
7 renewal application guidance to any public charter school  
8 whose charter is scheduled to expire the following year. The  
9 performance report shall summarize the public charter school's  
10 performance record to date, based on the data required by this  
11 act and the charter contract, and shall provide notice of any  
12 weaknesses or concerns perceived by the authorizer concerning  
13 the public charter school that may jeopardize its position in  
14 seeking renewal if not timely rectified. The public charter  
15 school shall have 15 calendar days to respond to the  
16 performance report and submit any corrections or  
17 clarifications for the report.

18 (3) The renewal application guidance, at a minimum,  
19 shall provide an opportunity for the public charter school to  
20 do all of the following:

21 a. Present additional evidence, beyond the data  
22 contained in the performance report, supporting its case for  
23 charter renewal.

24 b. Describe improvements undertaken or planned for  
25 the school.

1           c. Detail the school's plans for the next charter  
2 term.

3           (4) The renewal application guidance shall include  
4 or refer explicitly to the criteria that will guide the  
5 authorizer's renewal decisions, which shall be based on the  
6 performance framework set forth in the charter contract and  
7 consistent with this act.

8           (5) No later than October 1, the governing board of  
9 a public charter school seeking renewal shall submit a renewal  
10 application to the charter authorizer pursuant to the renewal  
11 application guidance issued by the authorizer. The authorizer  
12 shall rule by resolution on the renewal application no later  
13 than 30 days after the filing of the renewal application.

14           (6) In making charter renewal decisions, every  
15 authorizer shall do all of the following:

16           a. Ground its decisions in evidence of the school's  
17 performance over the term of the charter contract in  
18 accordance with the performance framework set forth in the  
19 charter contract.

20           b. Ensure that data used in making renewal decisions  
21 are available to the school and the public.

22           c. Provide a public report summarizing the evidence  
23 basis for each decision.

24           (7) A charter contract may be revoked at any time if  
25 the authorizer determines that the public charter school did

1 any of the following or otherwise failed to comply with this  
2 act:

3 a. Commits a material and substantial violation of  
4 any of the terms, conditions, standards, or procedures  
5 required under this act or the charter contract.

6 b. Fails to meet or make sufficient progress toward  
7 the performance expectations set forth in the charter  
8 contract.

9 c. Fails to attain the minimum state proficiency  
10 standard for public charter schools in each year of their  
11 operation and over the charter term.

12 d. Fails to meet generally accepted standards of  
13 fiscal management.

14 e. Substantially violates any material provision of  
15 law from which the public charter school was not exempted.

16 (8) An authorizer may non-renew a public charter  
17 school if the authorizer determines that the public charter  
18 school did any of the following or otherwise failed to comply  
19 with this act:

20 a. Commits a material and substantial violation of  
21 any of the terms, conditions, standards, or procedures  
22 required under this act or the charter contract.

23 b. Fails to meet the performance expectations set  
24 forth in the charter contract.

25 c. Fails to meet generally accepted standards of  
26 fiscal management.

1           d. Substantially violates any material provision of  
2 law from which the public charter school was not exempted.

3           (9) A charter contract shall not be renewed at the  
4 end of the contract term if the public charter school fails to  
5 meet the performance expectations set forth in the charter  
6 contract, or fails to attain the minimum state proficiency  
7 standard for public charter schools (minimum state standard)  
8 in each year of its operation and over the charter term,  
9 unless the public charter school demonstrates and the  
10 authorizer affirms, through formal action of its board, that  
11 other indicators of strength and exceptional circumstances  
12 justify the continued operation of the school. At the time of  
13 renewal, any public charter school that has received a grade  
14 of F on the statewide accountability system for all public  
15 schools pursuant to Section 16-6C-2, Code of Alabama 1975, or  
16 a grade of D or F for the past three most recent years shall  
17 be considered to fall below the minimum state standard.

18           (10) An authorizer shall develop revocation and  
19 nonrenewal processes that do all of the following:

20           a. Provide the charter holders with a timely  
21 notification of the prospect of revocation or nonrenewal and  
22 of the reasons for such possible closures.

23           b. Allow the charter holders a reasonable amount of  
24 time in which to prepare a response.

25           c. Provide the charter holders with an opportunity  
26 to submit documents and give testimony challenging the

1       rationale for closure and in support of the continuation of  
2       the school at an orderly proceeding held for that purpose.

3               d. Allow the charter holders access to  
4       representation by counsel, at the expense of the charter  
5       holder, and to call witnesses on their behalf.

6               e. Permit the recordings of such proceedings.

7               f. After a reasonable period for deliberation,  
8       require a final determination be made and conveyed in writing  
9       to the charter holders.

10              (11) If an authorizer revokes or does not renew a  
11       charter, the authorizer shall clearly state, in a resolution,  
12       the reasons for the revocation or nonrenewal.

13              (12) Within 15 days of taking action to renew, not  
14       renew, or revoke a charter, the authorizer shall report to the  
15       department the action taken, and shall provide a copy of the  
16       report to the public charter school at the same time that the  
17       report is submitted to the department. The report shall  
18       include a copy of the authorizer's resolution setting forth  
19       the action taken and reasons for the decision and assurances  
20       as to compliance with all of the requirements set forth in  
21       this act.

22              (d) School closure and dissolution.

23              (1) Prior to any public charter school closure  
24       decision, an authorizer shall have developed a public charter  
25       school closure protocol to ensure timely notification to  
26       parents, orderly transition of students and student records to

1 new schools, and proper disposition of school funds, property,  
2 and assets in accordance with the requirements of this act.  
3 The protocol shall specify tasks, timelines, and responsible  
4 parties, including delineating the respective duties of the  
5 school and the authorizer.

6 (2) In the event of a public charter school closure  
7 for any reason, the authorizer shall oversee and work with the  
8 closing school to ensure a smooth and orderly closure and  
9 transition for students and parents, as guided by the closure  
10 protocol. In the event of a public charter school closure for  
11 any reason, the assets of the school shall be distributed  
12 first to satisfy outstanding payroll obligations for employees  
13 of the school, then to creditors of the school, and then to  
14 the State Treasury to the credit of the Education Trust Fund.  
15 If the assets of the school are insufficient to pay all  
16 parties to whom the school owes compensation, the  
17 prioritization of the distribution of assets may be determined  
18 by decree of a court of law.

19 (e) Charter transfers. Transfer of a charter  
20 contract, and of oversight of that public charter school, from  
21 one authorizer to another before the expiration of the charter  
22 term shall not be permitted except by special petition to the  
23 department by a public charter school or its authorizer. The  
24 department shall review such petitions on a case-by-case basis  
25 and may grant transfer requests in response to special

1       circumstances and evidence that such a transfer would serve  
2       the best interests of the public charter school's students.

3               (f) Annual report. On or before November 1 of each  
4       year beginning in the first year after the state has had  
5       public charter schools operating for a full school year, the  
6       department shall issue to the Governor, the Legislature, and  
7       the public at large, an annual report on the state's public  
8       charter schools, drawing from the annual reports submitted by  
9       every authorizer as well as any additional relevant data  
10      compiled by the department, for the school year ending in the  
11      preceding calendar year. The annual report shall include a  
12      comparison of the performance of public charter school  
13      students with the performance of academically, ethnically, and  
14      economically comparable groups of students in non-charter  
15      public schools. In addition, the annual report shall include  
16      the department's assessment of the successes, challenges, and  
17      areas for improvement in meeting the purposes of this act,  
18      including the department's recommendations as to any suggested  
19      changes in state law or policy necessary to strengthen the  
20      state's public charter schools.

21              Section 9. (a) Legal status of a public charter  
22      school.

23              (1) Notwithstanding any provision of law to the  
24      contrary, to the extent that any provision of this act is  
25      inconsistent with any other state or local law, rule, or

1 regulation, the provisions of this act shall govern and be  
2 controlling.

3 (2) A public charter school shall be subject to all  
4 federal laws and authorities enumerated herein or arranged by  
5 charter contract with the school's authorizer, where such  
6 contracting is consistent with applicable laws, rules, and  
7 regulations.

8 (3) Except as provided in this act, a public charter  
9 school shall not be subject to the state's education statutes  
10 or any state or local rule, regulation, policy, or procedure  
11 relating to non-charter public schools within an applicable  
12 local school system regardless of whether such rule,  
13 regulation, policy, or procedure is established by the local  
14 school board, the State Board of Education, or the State  
15 Department of Education.

16 (4) A charter contract may consist of one or more  
17 schools, to the extent approved by the authorizer and  
18 consistent with applicable law. Each public charter school  
19 that is part of a charter contract shall be separate and  
20 distinct from any others. In the event that more than one  
21 school is approved, the school only counts against the annual  
22 public charter school cap in the fiscal year the school is  
23 scheduled to open.

24 (5) A single governing board may hold one or more  
25 charter contracts. Each public charter school that is part of

1 a charter contract shall be separate and distinct from any  
2 others.

3 (6) A start-up public charter school shall function  
4 as a local educational agency (LEA). A public charter school  
5 shall be responsible for meeting the requirements of LEAs  
6 under applicable federal, state, and local laws, including  
7 those relating to special education. LEA status shall not  
8 preclude a public charter school from developing partnerships  
9 with school systems for services, resources, and programs by  
10 mutual agreement or formal contract.

11 (7) A conversion public charter school shall remain  
12 a part of the LEA in which the non-charter public school  
13 existed prior to its conversion to a public charter school.

14 (8) A public charter school shall have primary  
15 responsibility for special education at the school, including  
16 identification and service provision. It shall be responsible  
17 for meeting the needs of enrolled students with disabilities.  
18 This does not preclude the public charter school from  
19 collaborating with the local school system to meet the needs  
20 of any special education student.

21 (b) Powers of public charter schools. A public  
22 charter school shall have all the powers necessary for  
23 carrying out the terms of its charter contract including the  
24 following powers:

25 (1) To receive and disburse funds for school  
26 purposes.

1           (2) To secure appropriate insurance and to enter  
2 into contracts and leases.

3           (3) To contract with an education service provider  
4 for the management and operation of the public charter school  
5 so long as the school's governing board retains oversight  
6 authority over the school.

7           (4) To incur debt in reasonable anticipation of the  
8 receipt of public or private funds.

9           (5) To pledge, assign, or encumber its assets to be  
10 used as collateral for loans or extensions of credit.

11           (6) To solicit and accept any gifts or grants for  
12 school purposes subject to applicable laws and the terms of  
13 its charter contract.

14           (7) To acquire real property for use as its facility  
15 or facilities, from public or private sources.

16           (8) To sue and be sued in its own name.

17           (c) General requirements.

18           (1) A public charter school shall not discriminate  
19 against any person on the basis of race, creed, color, sex,  
20 disability, or national origin or any other category that  
21 would be unlawful if done by a non-charter public school.

22           (2) No public charter school may engage in any  
23 sectarian practices in its educational program, admissions or  
24 employment policies, or operations.

25           (3) A public charter school shall not discriminate  
26 against any student on the basis of national origin minority

1 status or limited proficiency in English. Consistent with  
2 federal civil rights laws, public charter schools shall  
3 provide limited English proficient students with appropriate  
4 services designed to teach them English and the general  
5 curriculum.

6 (4) A public charter school shall not charge tuition  
7 and may only charge such fees as may be imposed on other  
8 students attending public schools in the state.

9 (5) The powers, obligations, and responsibilities  
10 set forth in the charter contract cannot be delegated or  
11 assigned by either party.

12 (d) Applicability of other laws, rules, and  
13 regulations.

14 (1) Public charter schools shall be subject to the  
15 same civil rights, health, and safety requirements, including,  
16 but not limited to, state and local public health and building  
17 codes, employee fingerprinting and criminal background checks  
18 applicable to other public schools in the state, except as  
19 otherwise specifically provided in this act.

20 (2) Public charter schools shall be subject to the  
21 statewide end-of-year annual standardized assessment as  
22 applicable to other public schools in the state, but nothing  
23 herein shall preclude a public charter school from  
24 establishing additional student assessment measures that go  
25 beyond state requirements if the school's authorizer approves  
26 such measures.

1           (3) Public charter school governing boards shall be  
2 subject to and comply with the Alabama Open Meetings Act and  
3 public records laws.

4           (4) Any provision of this act to the contrary  
5 notwithstanding, public charter schools shall be subject to  
6 competitive bid laws in the same fashion as local boards of  
7 education.

8           (e) Public charter school employees.

9           (1) Public charter schools shall comply with  
10 applicable federal laws, rules, and regulations regarding the  
11 qualification of teachers and other instructional staff. In  
12 accordance with subsection (a), teachers in public charter  
13 schools shall be exempt from state teacher certification  
14 requirements.

15           (2) Start-up public charter schools may elect to  
16 participate in the Teachers' Retirement System and Public  
17 Education Employees' Health Insurance Plan. Such election must  
18 take place prior to the execution of the charter contract and  
19 once made is irrevocable. Conversion charter schools shall  
20 participate in the Teachers' Retirement System and Public  
21 Education Employees' Health Insurance Plan. Employees of  
22 participating start-up public charter schools and employees of  
23 conversion public charter schools shall participate in the  
24 Teachers' Retirement System of Alabama as teachers defined in  
25 subdivision (3) of Section 16-25-1, Code of Alabama 1975, and  
26 are eligible to participate in the Public Education Employees'

1 Health Insurance Plan as employees defined in subdivision (1)  
2 of Section 16-25A-1.

3 (3) A public charter school may not interfere with  
4 laws and applicable rules protecting the rights of employees  
5 to organize and be free from discrimination.

6 (f) Access to extracurricular and interscholastic  
7 activities. Nothing in this act shall be construed to prevent  
8 a public charter school from forming an athletic team and  
9 participating in interscholastic athletics in the State of  
10 Alabama. If a public charter school elects for its students to  
11 participate in athletic contests or competitions, then the  
12 school shall pursue membership in the Alabama High School  
13 Athletic Association and shall adhere to all guidelines,  
14 rules, regulations, and bylaws as other member schools.

15 Section 10. (a) Enrollment. Students enrolled in and  
16 attending public charter schools shall be included in all  
17 enrollment and attendance counts of students of the local  
18 school system in which the students reside. The public charter  
19 school shall report all such data to the local school systems  
20 of residence in a timely manner. Each local school system  
21 shall report such enrollment, attendance, and other counts of  
22 students to the department in the manner required by the  
23 department.

24 (b) Operational funding.

25 (1) The following provisions govern operational  
26 funding:

1           a. In their initial year, and in subsequent years to  
2       accommodate growth as articulated in their application,  
3       funding for public charter schools shall be provided from the  
4       Education Trust Fund in the Foundation Program appropriation  
5       for current units. Subsequent year funding for public charter  
6       schools shall be based on the Foundation Program allocation  
7       and other public school Education Trust Fund appropriations.

8           b. For each of its students, a public charter school  
9       shall receive the same amount of state funds, including funds  
10      earmarked for the Foundation Program transportation, school  
11      nurses, technology coordinators, and other line items that may  
12      be included in the appropriation for the Foundation Program  
13      Fund, that, for the then-current fiscal year, would have  
14      otherwise been allocated on behalf of each public charter  
15      school student to the local school system where the student  
16      resides. This amount shall reflect the status of each student  
17      according to grade level, economic disadvantage, limited  
18      English proficiency, and special education needs.

19          c. For each of its students, a public charter school  
20      shall receive the same amount of local tax revenue, that, for  
21      the then-current fiscal year, would have otherwise been  
22      allocated on behalf of each public charter school student to  
23      the local non-charter public school of each student's  
24      residence, excluding those funds already earmarked through a  
25      vote of the local school board for debt service, capital  
26      expenditures, or transportation. As necessary, the department

1 shall promulgate processes and procedures to determine the  
2 specific local revenue allocations according to the Foundation  
3 Program for each public charter school.

4 d. The state funds described in paragraph a. shall  
5 be forwarded on a quarterly basis to the public charter school  
6 by the department. The local funds described in paragraph b.  
7 shall be forwarded on a quarterly basis to the public charter  
8 school by the local educational agency of the student's  
9 residence, notwithstanding the oversight fee reductions  
10 pursuant to Section 6. Additionally, any local revenues  
11 restricted, earmarked, or committed by statutory provision,  
12 constitutional provision, or board covenant pledged or imposed  
13 by formal action of the local board of education or other  
14 authorizing body of government, shall be excluded by the local  
15 educational agency of the student's residence when determining  
16 the amount of funds to be forwarded by the agency to the  
17 public charter school.

18 e. The maximum annual local tax allocation forwarded  
19 to a start-up public charter school from a local school system  
20 shall, for each student, not exceed the per student portion of  
21 the state required 10 mill ad valorem match.

22 f. The maximum annual local tax allocation forwarded  
23 to a conversion public charter school from a local school  
24 system shall, for each student, equal the amount that would  
25 have been received by the local education agency of the  
26 student's residence for each student who now attends a

1 conversion public charter school, minus any amounts otherwise  
2 excluded pursuant to this section.

3 g. If necessary, the department shall adopt rules  
4 governing how to calculate and distribute these per-student  
5 allocations, as well as any rules governing cost-sharing for  
6 students participating in specialized gifted, talented,  
7 vocational, technical, or career education programs.

8 (2) Categorical funding. The department shall direct  
9 the proportionate share of moneys generated under federal and  
10 state categorical aid programs to public charter schools  
11 serving students eligible for such aid. The state shall ensure  
12 that public charter schools with rapidly expanding enrollments  
13 are treated equitably in the calculation and disbursement of  
14 all federal and state categorical aid program dollars. Each  
15 public charter school that serves students who may be eligible  
16 to receive services provided through such programs shall  
17 comply with all reporting requirements to receive the aid.

18 (3) Special education funding.

19 a. The state shall pay directly to a public charter  
20 school any federal or state aid attributable to a student with  
21 a disability attending the school.

22 b. At either party's request, a public charter  
23 school and its authorizer may negotiate and include in the  
24 charter contract alternate arrangements for the provision of  
25 and payment for special education services.

1                   (4) Generally accepted accounting principles;  
2 independent audit.

3                   a. A public charter school shall adhere to generally  
4 accepted accounting principles.

5                   b. A public charter school shall annually engage an  
6 independent certified public accountant to do an independent  
7 audit of the school's finances. A public charter school shall  
8 file a copy of each audit report and accompanying management  
9 letter to its authorizer by June 1. This audit shall include  
10 the same requirements as those required of local school system  
11 pursuant to Section 16-13A-7, Code of Alabama 1975.

12                   (5) Transportation funding.

13                   a. The department shall disburse state  
14 transportation funding to a public charter school on the same  
15 basis and in the same manner as it is paid to public school  
16 systems.

17                   b. A public charter school may enter into a contract  
18 with a school system or private provider to provide  
19 transportation to the school's students.

20                   c. Public charter schools that do not provide  
21 transportation services shall not be allocated any federal,  
22 state, or local funds otherwise earmarked for  
23 transportation-related expenses.

24                   Section 11. (a) Access to Alabama Public School and  
25 College Authority (PSCA) funds.

1           (1) Public charter schools shall have the same  
2 rights and access to PSCA funding opportunities as non-charter  
3 public schools.

4           (2) The PSCA and the department shall adopt and  
5 maintain a policy to ensure that public charter schools  
6 receive access to equitable facilities funding.

7           (b) Access to local school system facilities and  
8 land.

9           (1) A public charter school shall have a right of  
10 first refusal to purchase or lease at or below fair market  
11 value a closed or unused public school facility or property  
12 located in a school system from which it draws its students if  
13 the school system decides to sell or lease the public school  
14 facility or property.

15           (2) Unused facility means a school building or other  
16 local board of education owned building that is or could be  
17 appropriate for school use, in which more than 60 percent of  
18 the building is not being used for direct student instruction  
19 or critical administration purposes and for which no offer to  
20 purchase has been executed.

21           (3) The department shall publish the names and  
22 addresses of unused facilities on its website in a list that  
23 is searchable at least by each facility's name and address.  
24 This list shall be updated at least once a year by May 1.

25           Section 12. The provisions of this act are  
26 severable. If any part of this act is declared invalid or

1       unconstitutional, that declaration shall not affect the part  
2       that remains.

3               Section 13. This act shall become effective on the  
4       first day of the third month following its passage and  
5       approval by the Governor, or its otherwise becoming law.